



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0131: Revising the duration of unemployment insurance benefits

Primary Sponsor: Kerri Seekins-Crowe

Status: As Introduced

Included in the Executive Budget

Needs to be included in HB 2

Significant Local Gov Impact

Significant Long-Term Impacts

Technical Concerns

Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
Other	(\$5,275,246)	(\$5,747,796)	(\$6,026,347)	(\$6,070,901)
Revenues				
Other	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact

HB 131 reduces the full weeks of Unemployment Insurance Benefits an individual is eligible for from 24 to 20 weeks and removes the Ratio of Total Base Period Earnings above 2.5. This legislation impacts unemployment insurance benefits paid.

FISCAL ANALYSIS

Assumptions

Department of Labor and Industry (DLI)

1. HB 131 reduces the amount of unemployment insurance (UI) benefit weeks an individual is eligible for resulting in less benefits being paid out and long-term savings to the UI trust fund.
2. DLI assumes the yearly UI trust fund projections of disbursements, based off wage growth, unemployment, and employment data, along with the percent of benefits paid to claims over 20 weeks in duration can be used to determine the reduction in benefit disbursements resulting from the bill.
3. Based on historical UI data 3.9% of UI claim disbursements are for claims over 20 weeks in duration.
4. It is assumed that 3.9% of UI benefits are reduced year over year when reducing claim duration from 24 weeks to 20 weeks. DLI also assumes the UI trust fund balance will see a corresponding increase in the same amount in each year.
5. Disbursements for FY 2026 - 2029 are projected to be \$135,262,727 for FY 2026, \$147,379,389 for FY 2027, \$154,521,711 for FY 2028, and \$155,664,133 for FY2029.
6. By reducing benefit duration from 24 weeks to 20 weeks, DLI assumes the total reduction would be 3.9%. Assuming 3.9% x each fiscal year projected disbursements results in a reduction of \$5,275,246 in FY 2026, \$5,747,796 in FY 2027, \$6,026,347 in FY 2028, and \$6,070,901 in FY 2029.

Fiscal Note Request - As Introduced

(continued)

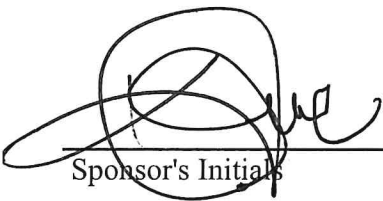
7. DLI assumes the difference between the UI trust fund projection without a change in benefit duration and the UI trust fund projection with a change in benefit duration would be the reduction in benefits paid in any given year.
8. The IT programming costs needed to update the UI benefits system can be completed within the scope of the current IT vendor contract to maintain the system within current contracted costs.

Fiscal Analysis Table

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Benefits	(\$5,275,246)	(\$5,747,796)	(\$6,026,347)	(\$6,070,901)
TOTAL Expenditures	(\$5,275,246)	(\$5,747,796)	(\$6,026,347)	(\$6,070,901)
<u>Funding of Expenditures</u>				
Other	(\$5,275,246)	(\$5,747,796)	(\$6,026,347)	(\$6,070,901)
TOTAL Funding of Expenditures	(\$5,275,246)	(\$5,747,796)	(\$6,026,347)	(\$6,070,901)
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
Other	\$5,275,246	\$5,747,796	\$6,026,347	\$6,070,901

Technical Concerns

1. Bills impacting the unemployment insurance program must be reviewed by the US Department of Labor for conformity with federal law. As of January 14, 2025, the bill has not yet been reviewed.



 Sponsor's Initials

1-15-2025

 Date



 Budget Director's Initials

1/14/2025

 Date